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## Chapter 45. Compensation, Medical Benefits, and Proceedings Before the Alaska Workers' Compensation Board.

8 AAC 45.190 is amended to read:

- **8 AAC 45.190. Guardianship.** (a) In death cases where there are minor or mentally incompetent beneficiaries and the amount of compensation to be paid in a lump sum to the beneficiary does not exceed **\$10,000** [\$5,000], the **director may** [BOARD WILL, IN ITS DISCRETION,] order compensation to be paid in a lump sum on behalf of the beneficiary directly to the natural guardian of the beneficiary if the board finds that payment of compensation to the natural guardian is in the best interest of the beneficiary.
- (b) In each case where there is a minor or mentally incompetent beneficiary and the amount to be paid in a lump sum to the beneficiary exceeds or potentially exceeds \$10,000 [\$5,000], the **director** [BOARD] will require the appointment of a guardian or conservator to represent the interests of the beneficiary and to receive payments in trust for the beneficiary.
- (c) The employer shall pay **compensation** [BENEFITS] under (b) of this section into an interest-bearing account at a federally insured commercial bank or lending institution until the conservator or guardian is appointed.
- 8 AAC 45.190 is amended by adding a new subsection to read:
- (d) In this section, "director" means the director of the division of workers' compensation in the department. (Eff. 5/28/83, Register 86; am \_\_\_/\_\_\_\_, Register \_\_\_\_\_)

  Authority: AS 23.30.005 AS 23.30.140 AS 44.31.020

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The lead-in language of 8 AAC 45.890 is amended to read:

8 AAC 45.890. Determining employee status. For purposes of AS 23.30.395(19) [AS 23.30.265(12)] and this chapter, the board will determine whether a person is an "employee" based on the "relative-nature-of-the-work" [RELATIVE-NATURE-OF-THE-WORK] test.

The test will include a determination of the provisions [UNDER (1) – (6)] of this section. The provisions of [PARAGRAPH] (1) of this section is the most important factor and is interdependent with the provisions of (2) of this section, and at least one of these factors must be resolved in favor of an "employee" status for the board to find that a person is an employee. The board will consider whether the work

(Eff. 3/16/90, Register 113; am \_\_\_/\_\_\_, Register \_\_\_\_)

**Authority:** AS 23.30.005 AS 23.30.265 AS 44.31.020

[AS 23.30.005(h)]

## Chapter 46. Self-Insurance.

8 AAC 46.010 is repealed and readopted to read:

**8 AAC 46.010. Requirements for applying and qualifying for authority to self-insure**. (a) An employer may apply for authorization to self-insure its obligations under the Act if the employer has

- (1) been in business within this state for at least the five years immediately preceding the filing of the present application for self-insurance authorization;
  - (2) a safety loss control program;

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- (3) in combination with the employer's parent company or subsidiary companies of the employer, a minimum of 100 employees either in this state or in another state or states; and
  - (4) a tangible net worth of at least \$10,000,000.
- (b) An employer that meets the application requirements may qualify to self-insure the employer's obligations under the Act if the employer provides satisfactory proof to the division that it has
  - (1) the financial ability to meeting current and future obligations under the Act;
- (2) available claims facilities through the employer's staffed adjusting facilities located within this state through independent, licensed, resident with power to effect settlement within the state; for purposes of this paragraph, insurance companies with a certificate of authority from the division of insurance, Department of Commerce, Community, and Economic Development, and with staff adjusters in this state, are considered independent, licensed, resident adjusters; and
  - (3) agreed to post any security deposit required.
  - (c) The division may waive the requirement in (a)(1) of this section if the employer
- (1) has self-insured the employer's workers' compensation obligations in another jurisdiction for at least the five years immediately preceding the filing of the present application for self-insurance authorization; or
- (2) is a wholly-owned subsidiary and the employer's parent company has been in business for at least the five years preceding the filing of the present application for self-insurance authorization and guarantees the subsidiary's obligations under the Act.

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(d) A	an employer that is	a majority or wholly-ow	vned subsidiary must have the employ	er's
obligations u	nder the Act guarar	nteed by the employer's	parent company. (Eff. 11/20/83,	
Register 88;	am/	, Register)		
<b>Authority:</b>	AS 23.30.005	AS 23.30.090	AS 44.31.020	
	AS 23.30.075			

8 AAC 46.015 is amended to read:

8 AAC 46.015. Requirements for a joint venture to apply and qualify for authorization to self-insure. (a) The division may [BOARD WILL, IN ITS DISCRETION,] issue a certificate of self-insurance authorization to a joint venture if the partner with the majority interest in the joint venture is self-insured or qualified to be self-insured in this state and guarantees the workers' compensation obligations of the joint venture. In general, the joint venture must meet all the requirements of this chapter, and [IN ADDITION]

- (1) the agreement under which the joint venture will operate must accompany the **present** application for self-insurance **authorization**;
- (2) the present application <u>for self-insurance authorization</u> must be filed with the <u>division</u> [BOARD] at least 60 days before the desired effective date when one partner is currently self-insured or at least 90 days before that date when there is no self-insured partner; and
- (3) each partner in the joint venture must submit the financial information required by 8 AAC 46.020(a)(3).
- (b) The <u>division may</u> [BOARD WILL, IN ITS DISCRETION, AND] for good cause waive the requirement of **8 AAC 46.010(a)(4)** [8 AAC 46.010(a)(6)].

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(c) The requirements of <b>8 AAC 46.010(a)(1)</b> [8 AAC 46.010(a)(3)] and 8 AAC
46.020(d) do not apply to a joint venture <b>seeking authorization to self-insure</b> .
(d) The combined financial statements of the partners and the factors listed in 8 AAC
46.030 will be used in considering the application for self-insurance <b>authorization</b> .
(e) A certificate of self-insurance of a joint venture is valid only for the employees of the
joint venture and not the employees of any of the partners in the joint venture. Any change of
partners in the joint venture must be reported to the <b>division</b> [BOARD] within 30 days.
(f) In addition to the other requirements of this chapter, an application for renewal of a
certificate of self-insurance of a joint venture must be accompanied by the most recent audited
financial statement of the joint venture.
(g) A joint venture must give the <b>division</b> [BOARD] at least 60 days' written notice
before termination of the joint venture. The notice must include the arrangements that have been
or will be made to process present and future claims for which the joint venture is or may be
responsible. (Eff. 11/20/83, Register 88, am/, Register)
Authority: AS 23.30.005 AS 23.30.090 AS 44.31.020
AS 23.30.075
The section heading for 8 AAC 46.020 is amended to read:
8 AAC 46.020. Application procedures for self-insurance authorization

8 AAC 46.020. Application procedures for self-insurance <u>authorization</u>
[CERTIFICATE].

8 AAC 46.020(a) is amended to read:

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- (a) An employer shall apply for [A] self-insurance <u>authorization on a form prescribed</u>

  <u>by the department</u> [CERTIFICATE ON DEPARTMENT OF LABOR AND WORKFORCE

  DEVELOPMENT FORM NUMBER 07-6129]. The completed application must be
- (1) filed with the **division** [BOARD] at least 90 days before the desired effective date of the self-insurance authorization;
- (2) signed before a person authorized to take an oath, affirmation, or acknowledgement;
- (3) accompanied by the employer's audited financial statements for the three fiscal or calendar years immediately preceding the filing of the application <u>form</u>; the employer may submit consolidated financial statements of <u>the employer's</u> [ITS] parent company if the employer does not have its own audited financial statements and the employer is a majority or wholly-owned subsidiary; a <u>governmental</u> [PUBLIC] entity must submit audited comprehensive annual financial reports, including detailed schedules, for the three fiscal or calendar years immediately preceding the filing of the application <u>form</u>;
- (4) accompanied by a description of the propose excess insurance<sub>2</sub> including the effective dates, type of coverage, the conditions and exclusions, the limits and retentions of each type of coverage, and a guarantee of coverage until the <u>division</u> [BOARD] receives a copy of the policies; [AND]
- (5) accompanied by apparent company's guarantee of the subsidiary's obligations under the act, if the employer is a majority or wholly-owned subsidiary; and
- (6) accompanied by a description of the amount and type of security proposed to meet any security deposit requirement.

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8 AAC 46.020(b) is amended to read:

(b) [IF THE EMPLOYER OR ITS PARENT COMPANY SELF-INSURES ITS

WORKERS' COMPENSATION OBLIGATIONS IN ANY OTHER JURISDICTION, T] The
application must be accompanied by a summary of the [MOST RECENT FILINGS,
INCLUDING A SUMMARY OF] employer's or its parent company's losses for the three
fiscal years immediately preceding the filing of the application [SELF INSURED

RETENTION LIMITS, AND OTHER DATA PERTINENT TO THE OTHER SELFINSURANCE PROGRAMS]. The summary of losses must be categorized by year by number
of medical only claims, number of indemnity claims, number of fatalities, total incurred
losses, total paid losses, total amount of reserves for incurred and unpaid losses, total
amount of loss within retention limit, amount of loss subject to reinsurance or excess recovery,
and amount of loss subject to subrogation recovery.

8 AAC 46.020(c) is amended to read:

(c) An employer shall submit, as part of the <u>supporting documentation with the</u> application, a detailed outline or manual of **the employer's** [ITS] safety/loss control program.

(Eff. 11/20/8	3, Register 88, am 7	/20/97, Register 143; a	m 7/29/98, Register 146, ar
//	, Register	_)	
Authority:	AS 23.30.005	AS 23.30.090	AS 44.31.020
	AS 23.30.075		

The section heading for 8 AAC 46.030 is amended to read:

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8 AAC 46.030. <u>Financial factors</u> [FACTORS] considered <u>for approval of an</u> application for self-insurance authorization.

The lead-in language of 8 AAC 46.030 (a) is amended to read:

(a) In determining an employer's financial ability to meet the obligations under the Act

[AND IN DETERMINING IF A SECURITY DEPOSIT IS REQUIRED,] the <u>division</u>

[BOARD] will review the employer's audited financial statements and other information submitted in support of its application and will consider the

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- 8 AAC 46.030(a)(13) is amended to read:
  - (13) nature of **the employer's** business;
- 8 AAC 46.030(a)(18) is amended to read:
  - (18) [THE] economic **history and** outlook for the **employer's** industry.
- 8 AAC 46.030(b) is amended to read:
- (b) The information considered in (a) of this section will be used along with an overall evaluation of the employer's financial condition based upon generally accepted accounting principles to determine if the employer has the financial ability to pay current and future obligations under the Act. All financial ratios are defined according to their normal usage in analyzing financial statements. All financial ratios will be compared to the average ratios in the industry relative to the employer's type of business and [FOR] businesses of similar financial

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size. (Eff. 11	/20/83, Register 88; a	.m//	, Register)	
Authority:	AS 23.30.005	AS 23.30.090	AS 44.31.020	
	AS 23.30.075			
8 AAC 46.03	5 is amended to read:			
8 AA	C 46.035. Factors co	onsidered for <u>appr</u>	oval of a governmental	entity's
application f	or self-insurance aut	thorization certific	ate [MUNICIPALITIE	S]. In order to
determine a g	governmental entity's	s [MUNICIPALITY	('S] financial ability to	meet the
obligations u	nder the Act, the divis	sion [BOARD] will	review the <b>governmen</b>	tal entity's
[MUNICIPA	LITY'S] annual finan	cial reports and con	sider the	
	(1) compensation lo	oss history, outstand	ling compensation clain	ns liability, and
proposed exc	ess insurance coverag	e;		
	(2) safety programs	<b>;</b> ;		
	(3) obligations unde	er all other <u>s<b>elf-ins</b>ı</u>	ırance [SELF-INSURE	D] programs
including the	ir self-insured retention	on levels;		
	(4) claims facilities	and administration	;	
	(5) present tax leve	l; and		
	(6) bonded indebted	dness. (Eff. 11/20/8	3, Register 88, am	/,
Register	_)			
Authority:	AS 23.30.005	AS 23.30.090	AS 44.31.020	
	AS 23.30.075			

 $8\ AAC\ 46.040$  is repealed and readopted to read:

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**8 AAC 46.040.** Security deposits. (a) Unless granted an exemption by the division under (c) of this section, the posting of a security under this section is required for authorization for an employer to self-insure the employer's obligations under the Act. After an employer has been authorized to self-insure the employer's obligations under the Act for five years or more, a renewal application may include a request for exemption for some or all of the employer's security requirement under (c) of this section. The division's action on the renewal application will include a determination whether a security deposit is necessary for that particular self-insured.

- (b) Unless granted an exemption by the division under (c) of this section, a [A] security deposit must be in the amount of \$600,000 or 125 percent of the total outstanding accrued workers' compensation liabilities under the Act, whichever is greater.
- (c) An employer requesting an exemption from posting a security deposit shall submit to the division a statement for exemption along with the employer's application for renewal of self-insurance authorization.. (Eff. 11/20/83, register 88, am \_\_\_/\_\_\_\_, Register \_\_\_\_\_)

  Authority: AS 23.30.005 AS 23.30.090 AS 44.31.020

  AS 23.30.075 AS 23.30.155

8 AAC 46.045 is amended by adding a new section to read:

**8 AAC 46.045.** Acceptable security deposits. (a) Acceptable security deposits only include irrevocable letters of credit from financial institutions authorized to do business in this state under AS 06.01.010 – 06.40.190.

(b) A security deposit under this section will be valued at the security deposit's current market value and must be readily convertible to cash.

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- (c) Security deposits will be assigned to the commissioner, or the commissioner's successors or assigns. The deposits will be administered by the commissioner of revenue. Interest accruing on a negotiable security deposit will be collected and transmitted at least annually to the self-insurer, if the self-insurer is not in default under AS 23.30.170.
- (d) If the self-insurer defaults under AS 23.30.170 or files for bankruptcy, the commissioner will, through the use of the security deposit, obtain sufficient money to pay benefits and compensation awarded or secure a replacement policy of coverage. All deposits will remain in the custody of the commissioner until all obligations of the self-insurer have been fully discharged. At that time the division will return any remaining security deposit to the self-insurer.
- (e) A self-insurer that ceases to self-insure shall notify the division and may recover the securities deposited with the division upon posting a special release bond issued by a corporate surety in an amount equal to the total value of the securities. The special release bond must cover all existing liabilities under the Act and remain in force until all obligations under the Act have been fully discharged. (Eff., \_\_\_/\_\_\_\_, Register \_\_\_\_\_)

  Authority: AS 23.30.005 AS 23.30.090 AS 44.31.020

8 AAC 46.050(a) is amended to read:

AS 23.30.075

(a)Both specific and aggregate excess insurance with policy limits and retention amounts acceptable to the **division** [BOARD] must be provided by each self-insurer unless the **division** [BOARD] waives this requirement.

8 AAC 46.050(b)(1) is amended to read:

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(1) be written by a casualty insurance company or reinsurance company
authorized to transact such business in <b>this state</b> [ALASKA]; <b>the insurance company must be</b>
rated B+ or higher with a stable or positive outlook by AM Best;
8 AAC 46.050(b)(2) is amended to read:
(2) not be cancelable except upon at least 60 days' advance written notice by
registered or certified mail to the self-insurer and the <b>division</b> [BOARD]; and
(Eff. 11/20/83, Register 88; am/, Register)
<b>Authority:</b> AS 23.30.005 AS 23.30.090 <b>AS 44.31.020</b>

8 AAC 46.060 is amended to read:

AS 23.30.075

- **8 AAC 46.060. Decision on application.** (a) Within 30 days after receiving an application for a self-insurance certificate and all required supporting data, the **division**[BOARD] will approve or deny the application or advise the **applicant** [EMPLOYER] of any additional requirements.
- (b) If the <u>division</u> [BOARD] requests additional information, the application <u>is</u> [SHALL BE] considered denied if the <u>information or a request for additional time to submit the</u>

  <u>information is not received</u> [EMPLOYER DOES NOT RESPOND] within 30 days after receiving the request.
- (c) If the <u>division</u> [BOARD] denies an application without holding an in-person hearing, the employer may request an in-person hearing and opportunity to submit additional information

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by filing a petition and an affidavit of readiness for hearing within 30 days after receipt of the denial notice. If the petition and affidavit are not timely filed, the employer waives the right to an in-person hearing.

- (d) If a hearing is timely requested under (c) of this section, the **division** [BOARD] will give notice of the hearing in accordance with AS 23.30.110. If the employer wants the board to consider any additional information at the hearing, the employer shall file the information with the **division** [BOARD] at least 10 days before the hearing.
- (e) If, after a hearing under (d) of the section, the board denies the application, the board will issue a final written decision and order the findings of <u>fact</u> [FACTS] and conclusions of law. The board's decision and order may be appealed to the <u>Alaska Workers' Compensation</u>

  <u>Appeals Commission</u> [SUPERIOR COURT]. (Eff. 11/20/83, Register 88; am

\_\_\_/\_\_\_, Register\_\_\_)
Authority: AS 23.30.005 AS 23.30.090 <u>AS 44.31.020</u>

8 AAC 46.065(b) is amended to read:

AS 23.30.075

(b) Except as provided in 8 AAC 46.090(c), a certificate expires 12 months after the certificate's [ITS] effective date. A certificate applies only to the self-insurer and the self-insurer and the self-insurer's [ITS] subsidiaries named on the self-insurer's application for self-insurance. During the 12 months the certificate is in effect, the division may [BOARD WILL, IN ITS] DISCRETION,] add new subsidiaries to the certificate or delete subsidiaries upon receipt of a written request from the self-insurer which includes the name and address of each new subsidiary, type of business, and percentage of ownership. The division may [BOARD WILL,

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IN ITS DISC	RETION,] request addi	itional information before	ore determining whether to permit
[PERMITTIN	IG] a new subsidiary to	be added. (Eff. 11/20	//83, Register 88; am//
Register	)		
<b>Authority:</b>	AS 23.30.005	AS 23.30.090	AS 44.31.020
	AS 23.30.075		
8 AAC 46.07	0 is amended to read:		
8 AA(	C 46.070. Revocation	. (a) The division ma	y [BOARD WILL, IN ITS
DISCRETION	N,] revoke a certificate	of self-insurance base	d on [BECAUSE OF]
	(1) failure to comply	with the Act or regula	tions adopted under the Act;
	(2) failure to comply	with any <u>legal</u> order o	f the board;
	(3) deterioration of f	inancial condition adve	ersely and materially affecting the
self-insurer's	ability to pay its obliga	ntions under the Act; or	r
	(4) a change in busin	ess identity or structur	e which <u>materially</u> alters the status of
the self-insure	er as it existed when the	e certificate was issued	l.
(b) If	replacement coverage	has not been obtained,	the <b>division</b> [BOARD] will deny a
renewal appli	cation or revoke a certi	ficate of self-insurance	eif
	(1) an excess insuran	ce policy is cancelled	or expires; or
	(2) a security deposit	a's current market value	e drops below the value required by
the <u>division</u> [	BOARD]. (Eff. 11/20/	/83, Register 88; am	/, Register)
<b>Authority:</b>	AS 23.30.005	AS 23.30.090	AS 44.31.020
	AS 23.30.075		

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8 AAC 46.080 is amended to read:

**8 AAC 46.080 Application for renewal.** (a) A self-insurer shall submit an application for renewal to the **division** [BOARD] on **the department's** [DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT] form number 076130. The completed application must be

- (1) filed at least 60 days before expiration of the **<u>current</u>** certificate of self-insurance;
- (2) signed before a person authorized to take an oath, affirmation, or acknowledgement;
- (3) accompanied by the self-insurer's audited financial statements, not previously submitted to the <u>division</u> [BOARD] in support of a prior certificate of self-insurance, for the fiscal or calendar year immediately preceding the year in which the self-insurer applies for renewal; a <u>governmental</u> [PUBLIC] entity must submit <u>the</u> [ITS] audited comprehensive annual financial reports and detailed schedules, not previously submitted to the <u>division</u>
  [BOARD] in support of a prior certificate of self-insurance, for the fiscal or calendar year immediately preceding the year in which the <u>governmental</u> [PUBLIC] entity applies for renewal; and
- (4) <u>unless the requirement is waived by the division</u>, accompanied by a description of the proposed excess insurance including effective dates, the types of coverage, the conditions and exclusions, the limits and retentions of each type of coverage, and either a guarantee of coverage until receipt by the <u>division</u> [BOARD] of a copy of the policies or a renewal endorsement specifying the renewal terms of the policies is submitted to the <u>division</u> [BOARD] by the effective date of the renewal certificate.

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(b) The application must be accompanied by [IF THE EMPLOYER SELF-INSURES ITS WORKERS' COMPENSATION OBLIGATIONS IN ANY OTHER JURISDICATIONS], a summary of the employer's or its parent company's losses for the fiscal year immediately preceding the filing of the application [MOST RECENT FILING, INCLUDING A SUMMARY OF LOSSES, SELF-INSURED RETENTION LIMITS AND OTHER DATA PERTINENT TO THE OTHER SELF-INSURANCE PROGRAMS MUST BE SUBMITTED]. The summary of losses must be categorized by year by number of medical only claims, number of indemnity claims, number of fatalities, total incurred loss, total paid losses, total amount of reserves for incurred and unpaid losses, amount of loss within retention limit, amount of loss subject to excess recovery, and amount of loss subject to subrogation recovery. Reserves are to be independently verified by an independent actuary once every three years. The actuary's report must be submitted to the division for review accompanied by a letter, signed by an officer of the company, verifying that reserves have been set up in the liabilities section of the employer's or its parent company's balance sheet. (Eff. 11/20/83, Register 88; am \_\_\_/\_\_\_\_, Register \_\_\_\_\_) **Authority:** AS 23.30.005 AS 23.30.090 **AS 44.31.020** 

8 AAC 46.090 is amended to read:

AS 23.30.075

**8 AAC 46.090. Decision on renewal.** (a) Within 30 days after **the division** [IT] receives the application for renewal and all supporting data, the **division** [BOARD] will approve or deny the application or advise the self-insurer of any additional requirements.

(b) If the **division** [BOARD] requests additional information, the renewal application

will be considered denied if the self-insurer does not respond within 15 days after receiving the

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(c) An extension of a self-insurance certificate may be granted for no more than 90 days to meet the requirements of the <u>division</u> [BOARD], if a request for an extension is made in writing by the self-insurer and received by <u>division</u> [BOARD] at least 15 days before the current certificate expires. If all the requirements for renewal of the self-insurance certificate have not been met within the time prescribed, the application for renewal will be denied. After considering the additional required information the <u>division</u> [BOARD] will either grant or deny renewal. (Eff. 11/20/83, Register 88; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_\_\_)

Authority: AS 23.30.005 AS 23.30.090 <u>AS 44.31.020</u>

8 AAC 46.100 is amended to read:

AS 23.30.075

request.

**8 AAC 46.100.** Change of business status. A self-insurer that amends the self-insurer's [ITS] articles, charter, or agreement of incorporation in order [SO AS] to change the self-insurer's [ITS] identity or business structure or in any other manner alter the [ITS] status of the self-insurer as it existed at the time of issuance of a [ITS] certificate shall send the division [BOARD] a copy of the amendments. (Eff. 11/20/83, Register 88; am \_\_\_/\_\_\_\_, Register \_\_\_\_\_)

**Authority:** AS 23.30.005 AS 23.30.090 **AS 44.31.020** 

AS 23.30.075

8 AAC 46.110 is amended to read:

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8 AAC 46.110. Additional records and reports. Upon 30 days' advance written
notice, the <u>division may</u> [BOARD WILL, IN ITS DISCRETION] require a self-insurer to file
reports concerning its financial condition, payroll records, accident experience, summary of
losses, workers' compensation payments, or outstanding workers' compensation liabilities. (Eff
11/20/83, Register 88; am/, Register)
<b>Authority:</b> AS 23.30.005 AS 23.30.090 <b>AS 44.31.020</b>
AS 23.30.075
8 AAC 46.120 is amended to read:
<b>8 AAC 46.120. Recordkeeping.</b> (a) Unless waived by the <u>division</u> [BOARD], a self-
insurer shall maintain at one location within the state copies of all records necessary to complete
and verify the accuracy of all reports and documents submitted to the <b>division</b> [BOARD]. If this
requirement is waived, a self insurer shall, upon 15 days' written notice from the <u>division</u>
[BOARD], provide copies of all records necessary to complete and verify the accuracy of all
reports and documents submitted to the <b>division</b> [BOARD].
(b) All [SUCH] records <b>required under this section</b> must be open to inspection by the
authorized <u>division</u> [BOARD] representatives during the self-insured's regular business hours
and must be retained for three years. (Eff. 11/20/83, Register 88; am/, Register

**Authority:** AS 23.30.005 AS 23.30.090 **AS 44.31.020** 

AS 23.30.075

8 AAC 46.130 is amended to read:

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8 AAC 46.130. Auditing. The division's designated [BOARD OR ITS] representative may [WILL, IN ITS DISCRETION,] audit a self-insurance program at any [A] reasonable time the designated representative considers [TIME IT CONSIDERS] necessary. An audit may include [, BUT IS NOT LIMITED TO,] an audit of claims files, outstanding liabilities, and workers' compensation payments. (Eff. 11/20/83, Register 88; am \_\_\_/\_\_\_\_, Register \_\_\_\_\_)

Authority: AS 23.30.005 AS 23.30.090 AS 44.31.020

AS 23.30.075

8 AAC 46.900(2) is amended to read:

(2) "audited comprehensive annual financial reports" means, at a minimum, general purpose financial statements including all notes, combined statements by fund type, the individual fund statements, and other schedules that provide additional detailed information relative to the general purpose financial statements, upon which an independent auditor has expressed a professional opinion that the accompanying statements present fairly the financial position of the **governmental** [PUBLIC] entity in conformity with generally accepted accounting principles, and statistical tables that present various financial, economic, social, and demographic data about the **governmental** [PUBLIC] entity for the last ten years;

8 AAC 46.900(4) is amended to read:

(4) "board" means <u>the southern</u> [A SINGLE THREE-MEMBER] panel, or a quorum of <u>that</u> [A] panel, of the Alaska Workers' Compensation Board <u>chaired by the</u> <u>commissioner or the representative designated by the commissioner under AS 23.30.005(b)</u>;

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8 AAC 46.900 is amended by adding new paragraphs to read:

(11) "actuary report" means an actuarial reserve analysis to estimate adequacy of loss reserves and outlining current conditions or future requirements of the self-insured necessary to meet its workers' compensation financial obligations; the report must be prepared and signed by an independent actuary and produced in compliance with generally accepted actuarial practices;

- (12) "commissioner" means the commissioner of labor and workforce development;
  - (13) "department" means the Department of Labor and Workforce Development;
- (14) "division" means the division or workers' compensation in the Department of Labor and Workforce Development. (Eff. 11/20/83, Register 88; am 7/20/97, Register 143; am \_\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 23.30.005 AS 23.30.265 **AS 44.31.020**AS 23.30.090